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FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC PRIORITY 9174  
INFO RUCNCIS/CIS COLLECTIVE PRIORITY  
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RUEHAK/AMEMBASSY ANKARA PRIORITY 2649  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0476  
RUEHLM/AMEMBASSY COLOMBO PRIORITY 0514  
RUEHKA/AMEMBASSY DHAKA PRIORITY 0536  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2224  
RUEHKT/AMEMBASSY KATHMANDU PRIORITY 0263  
RUEHKO/AMEMBASSY TOKYO PRIORITY 0345  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L ASHGABAT 000829

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E.O. 12958: DECL: 08/10/2017  
TAGS: [PGOV](#) [PREL](#) [EPET](#) [EINV](#) [RS](#) [TX](#)  
SUBJECT: TURKMENISTAN ENERGY: CONOCOPHILLIPS/LUKOIL HOPE  
FOR AGREEMENT BY SEPTEMBER

REF: ASHGABAT 0774

Classified By: CDA RICHARD E. HOAGLAND FOR REASONS 1.4 (B) AND (D)

¶1. (C) Charge met briefly late evening August 9 with ConocoPhillips Russia Inc. executives President for Russia and Caspian Region Don Wallethe and Vice President for Exploration Tim Wallace. Houston-based Vice President for Upstream Bill Berry had already departed Turkmenistan. The meeting was brief and late because their meeting schedule had been disrupted all week since Turkmenistan's major oil and gas figures were in Kazakhstan drafting agreements for the Caspian Littoral and Central Asia Three Pipelines to meet the Tripartite Summit's September deadline for "concrete results." ConocoPhillips and LukOil are 50-50 partners, with ConocoPhillips holding "negative control" -- it can prevent but not force forward policies.

¶2. (C) Wallethe said the purpose of their visit was to push access for their partner, LukOil, to Caspian blocs 19, 20, and 21. Wallace commented they hope their "aggressive schedule" will lead to an agreement by September. Asked why they are optimistic, Wallethe responded they are taking advantage of a "window of exclusivity," since Turkmenistan is not inviting new competition.

¶3. (SBU) State Agency for the Use of Hydrocarbon Resources Myradov told them on August 9 Turkmenistan does not want joint ventures and is only in the business of providing licences for exploration and extraction activities.

¶4. (C) COMMENT: Wallethe and Wallace gave the impression they are relying on their LukOil partner to give them a leg up. They gave no indication LukOil's interest in off-shore exploration has waned recently, as TNK/BP executives speculated reftel. END COMMENT.  
HOAGLAND